

MultiCare and Franciscan Health propose jointly operated psychiatric hospital in Tacoma

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Pierce County's two biggest health care providers are joining forces to build a 120-bed psychiatric hospital in Tacoma, with a projected price tag of \$41 million.

The joint nonprofit venture between the CHI Franciscan and MultiCare health systems responds to a lack of inpatient psychiatric care in Pierce County, as well as a sudden surge of competition.

Three other health care entities have filed proposals for similar facilities in Pierce County; all seek approval from the state Department of Health.

The other entities are Springstone LLC, a Kentucky-based company; BHC Fairfax Hospital Inc., which runs a psychiatric hospital in Kirkland; and Signature Health Care Services LLC, which operates health care facilities in a number of Eastern states.

All have filed letters of intent with the state, the first step in the approval process. Only Franciscan/MultiCare and Signature have taken the next step of filing formal certificates of need. The Franciscan/MultiCare certificate was filed Tuesday.

The new hospital proposal emerges in the midst of a crisis tied to a statewide shortage of psychiatric beds.

This past summer, the Washington State Supreme Court ruled that "psychiatric boarding" of patients facing involuntary commitment is unconstitutional when used solely to ease overcrowding at state facilities. Boarding involves parking patients in hospital emergency departments while they wait for state-approved psychiatric beds.

Leaders from the Franciscan and MultiCare systems said the need for psychiatric services in Pierce County is acute.

According to statistics cited by the partners, the county's inpatient capacity ranks at the bottom among the state's urban counties, with 2.8 psychiatric beds per 100,000 people. The statewide ratio is 14.2 beds per 100,000; in King County, the ratio is 27.1 beds per 100,000.

The partners envision a three-year timetable to build and open the new facility. They say they've chosen a site in Tacoma, on the Allenmore Hospital campus at South Union Avenue.

“Providing appropriate facilities for those in mental crisis ensures they receive the right care, in the right place, at the right time, while also reducing overcrowding and wait times in hospital emergency rooms,” said Kathy Bressler, president of Lakewood’s St. Clare Hospital, part of the Franciscan system.

“Our community has a critical need to improve access to behavioral health services,” said Tim Holmes, vice president of behavioral health at MultiCare. “Together, we have a major role to play in addressing this need.”

The partners said the proposed facility would offer psychiatric services to voluntary patients as well as patients facing involuntary commitment under state law. One possible ratio is 60 voluntary beds and 60 involuntary beds, but the partners said the new facility would flex its capacity to address demand.

Whether the proposed hospital would ease the boarding crisis is unclear.

In a recent interview with The News Tribune, Holmes said he was reluctant to make broad predictions, but added that the new hospital, “would have a significant positive impact.”

Approval of the new hospital is not automatic. An opening is three years away at the earliest.

The Health Department must give its permission for the facility, based on an analysis of perceived needs. The MultiCare/Franciscan partnership faces the same scrutiny as other providers that have expressed interest in building a similar facility.

Janis Sigman manages the Health Department program that reviews hospital proposals. She said reviews take 90 days, but appeals of the state’s decision can follow.

Sigman said the MultiCare/Franciscan partnership and the proposal from Signature Health Care (for a 174-bed facility) will be reviewed concurrently. The review includes a public comment period.

“All applications are screened for completeness,” she said. “Applicants put their best arguments forward as to why their hospital project meets community need. We look at trying to right-size the number of beds to the population. We look at the county as the service area.”

The proposed new facility invites comparisons to the old Puget Sound Hospital on Pacific Avenue, closed by Pierce County in 2010. Among other uses, it served as a central location for short-term psychiatric treatment and involuntary commitment, but was publicly funded.

The joint venture from MultiCare and CHI Franciscan would be larger and would operate privately. The partners would share capital costs and resulting revenue.

“We think we can develop a viable business model, but we’re not going to make excessive profits,” Holmes said.

The new hospital would not replace Western State Hospital, which provides long-term involuntary commitment; nor would it replace shorter-term involuntary commitment facilities in Pierce County, funded by the state through Optum, a private company.

Instead, the proposed new hospital would add to the existing inventory of psychiatric beds.

MultiCare has no such beds in Pierce County; CHI Franciscan operates a 23-bed psychiatric unit at St. Joseph Medical Center for inpatient services. Those beds target voluntary patients; Franciscan leaders said they are considering whether to roll the 23 beds into the new hospital.

In practice, the new hospital could provide a destination for patients facing short-term commitment after arrests by police and a short-term mental-health hold. The hospital also would cater to patients who seek treatment voluntarily.

Expanded funding driven by the Affordable Care Act provides an opportunity for a viable system, Holmes said.

MultiCare has mulled the idea of providing new psychiatric services since the summer, Holmes said. The surge of interest from other providers prompted the swift alliance between Franciscan and MultiCare.

“We had to make a decision to be all in,” Holmes said.

Staff writer Kathleen Cooper contributed to this report

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